

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

☐

DATE

**April 23, 2014**

MOTOR CARRIER MATTER

☐

DOCKET NO.

**2014-44-E**

UTILITIES MATTER

☒

ORDER NO.

**SUBJECT:**

[DOCKET NO. 2014-44-E](#) - South Carolina Electric & Gas Company's 2014 Annual Update on Demand Side Management Programs and Petition for an Update to Rate Rider - Discuss this Matter with the Commission.

**COMMISSION ACTION:**

This matter comes before the Commission for consideration of SCE&G's 2014 Annual Update on Demand Side Management Programs and SCE&G's Petition for an update to the Rate Rider. First, with regard to the Rate Rider, I would note that both SCE&G and the Office of Regulatory Staff assert that the Company is entitled to recover in this proceeding \$4,590,691 as an amortization of Program Costs, \$9,210,148 for net lost revenues, and \$1,559,214 as an amortization of the Shared Savings Incentive, for a total requested recovery of \$15,360,053. The Company stated that, in order to reach this amount, several regulatory accounting adjustments are requested, without which, the total amount to be recovered under the DSM Rate Rider would be \$48,026,084. I would note that ORS agrees with these accounting adjustments. Accordingly, I move that we approve the requested accounting adjustments and the amounts listed above for recovery. In order to recover these amounts, the Company proposes that we approve the following DSM Rate Rider figures: for residential customers, 0.146 cents/kWh; for small general service customers, 0.041 cents/kWh; for medium general service customers, 0.088 cents/kWh; and for large general service customers, 0.036 cents/kWh. Accordingly, I move that we approve these DSM Rate Rider figures, since they will not require the imposition of a rate increase on the Company's customers, and they were developed in accordance with the terms and conditions set forth in Commission Order Nos. 2010-472 and 2013-826.

With regard to the actual DSM Programs, ORS notes in its filings that the Company should seek cost-effective changes to the DSM Programs and reexamine its projections of program savings and participation. Based on this belief, ORS recommends several changes to the DSM Programs which will not affect the requested rates in the current Rate Rider, but, according to ORS, will curb long-term cost increases in future Program Years. ORS recommends the elimination as soon as possible of two programs which have failed both the Utility Cost Test and the Total Resource Cost test: Energy Information Displays and Home Performance with ENERGY STAR. Elimination of these programs has the potential to save \$3.8 million in program costs through Program Year 6, according to ORS. SCE&G does not object. Therefore, I move that we approve the elimination of these two programs because of the potential for cost savings.

A second recommendation of ORS is the reduction of net lost revenue recovery by 25% to mitigate costs to ratepayers stemming from participation estimates that were not reflective of actual participation, which was low in five of the Company's programs. ORS recommends that

only 75% of the projected net lost revenue be collected in the current DSM Rate Rider, with a true up in the 2015 annual DSM filing. This reduction to net lost revenue will be used to decrease the amount of program costs deferred for recovery at this time. Under ORS's plan, any actual net lost revenue not collected in the current DSM Rate Rider would be eligible for carrying costs, agreed upon by the parties as the embedded average cost of long-term debt. SCE&G does not object, therefore I move that we adopt this proposal.

Finally, ORS recommends that the ENERGY STAR Lighting program be modified to ensure that incentives are being used for the benefit of SCE&G customers only, and that the program be modified to reflect changes occurring due to federal standards. ORS recommends that SCE&G limit incentives to bulb types which remain available in incandescent form and eliminate those incentives for the replacement of bulbs that are no longer available for purchase. ORS also recommends that the Company re-evaluate its ENERGY STAR Lighting Program to determine its value in the future, due to increasingly stringent federal standards on lighting efficiency, and if the value is diminished due to federal regulations, the Company should consider phasing out the program. Again, SCE&G does not object. Accordingly, I move that we adopt this proposal.

Finally, I see in SCE&G's filing that it did consider the recommendations of the environmental intervenors in considering modifications to its programs. Once again, I move that we rule that the Company must continue to consider the recommendations of these intervenors in this Docket as it considers further modifications to its programs in the future. Further, to the extent that the information is not competitively sensitive, we encourage the Company to continue to engage in a collaborative approach to discussion of program process and impact evaluations in upcoming DSM Advisory Group meetings.

PRESIDING: Hall

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Absent</u> Annual Leave
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
MCGEE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
RANDALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

(SEAL)

RECORDED BY: J. Schmieding

